

# The Budget FY 2009

## Introduction

**Karl Dean**  
Mayor



Mayor Karl Dean

# The Budget FY 2009

**Richard M.  
Riebeling**  
Director of  
Finance



# The Budget FY 2009

## Current Year Budget Status

- Targeted Budget Savings
  - \$5 Million Short
- Revenue Shortfall
- GSD Fund Balance Used to Make Up Shortage
- GSD Fund Balance
  - Estimated at \$15 Million
  - Less Than Half of Where It Should Be
- AA Bond Ratings
  - Confirmed by Rating Agencies ([Negative Watch](#))



# The Budget FY 2009

## Approach to 08-09 Budget

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- **National/State Economic Outlook**
- **Funding for Schools and Public Safety**
- **Openness and Transparency**
- **Elimination of Budgeted Savings**
  - **GSD \$16,938,500**
  - **USD \$2,264,700**





# The Budget FY 2009

## Budget Instructions

December 2007

- **Reduction Scenarios**
  - **5%**
  - **10%**
  - **15%**



# The Budget FY 2009

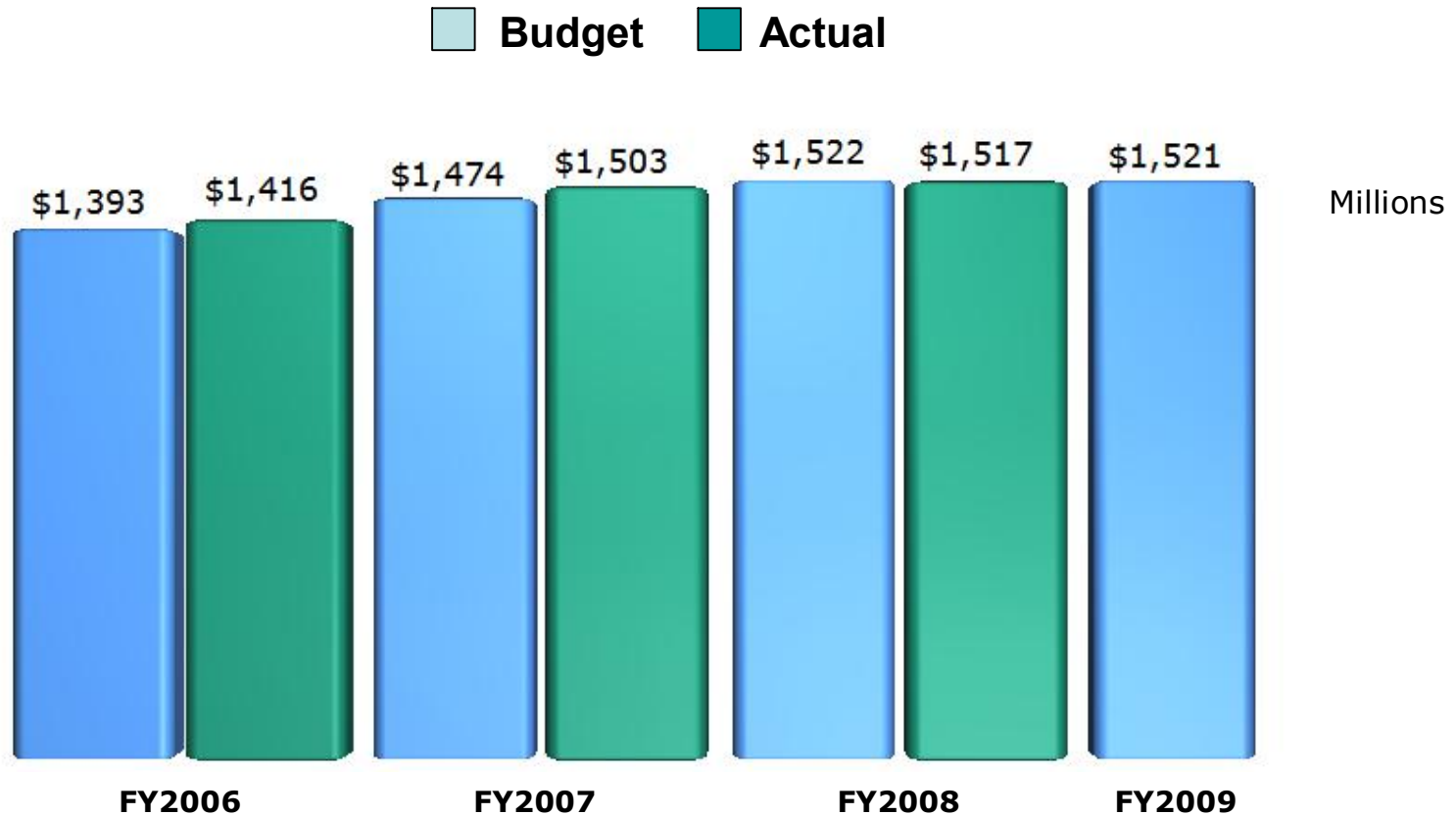
## Balancing The Budget *With No New Taxes*

- Conservative Revenue Estimates
- Reductions – Living Within Our Means



# The Budget FY 2009

## Revenue Trends for Budgeted Funds



# The Budget FY 2009





# The Budget FY 2009

## 2008-2009 Budget Overview

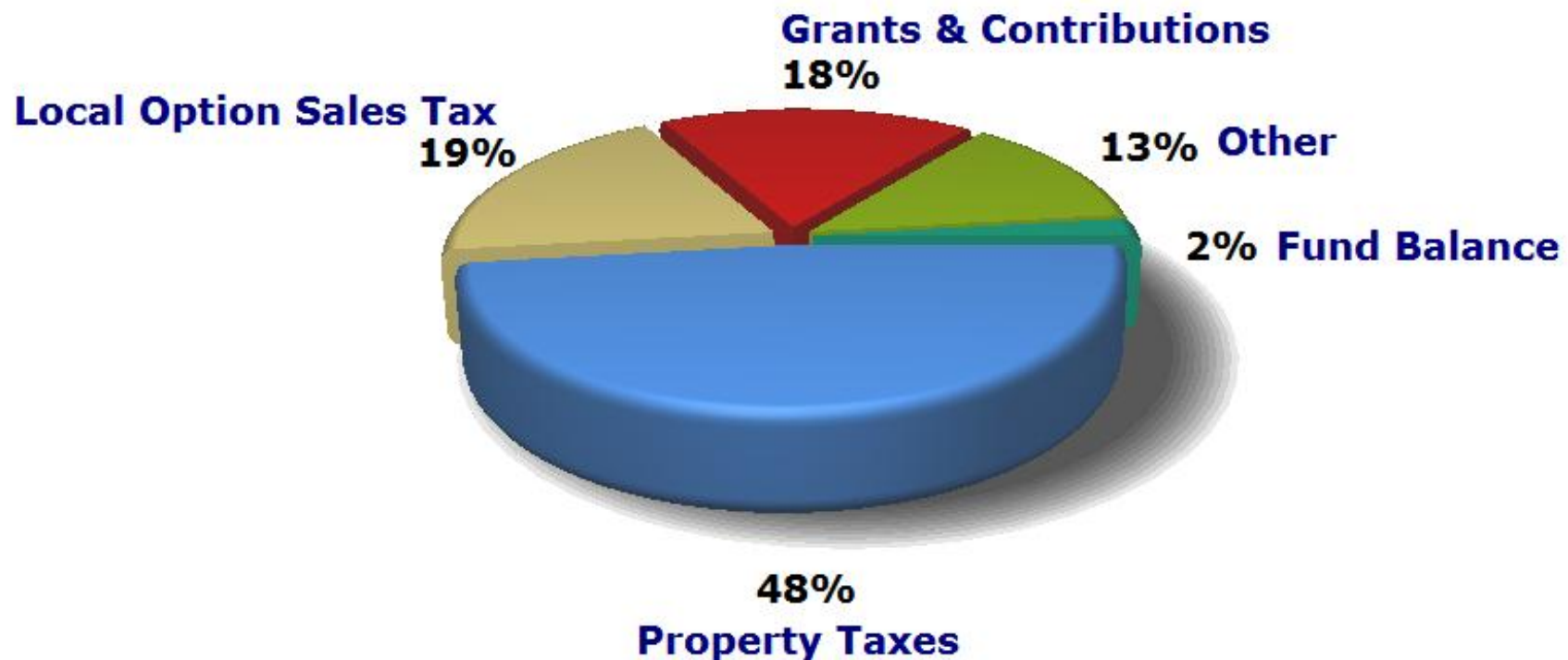
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- **Total Budget**
  - **\$1,576,664,600**
- **Less Than 1% Increase Over 07-08**
- **GSD and USD Operating Budgets**
  - **\$21 Million Less Than The 07-08 Approved Budget**



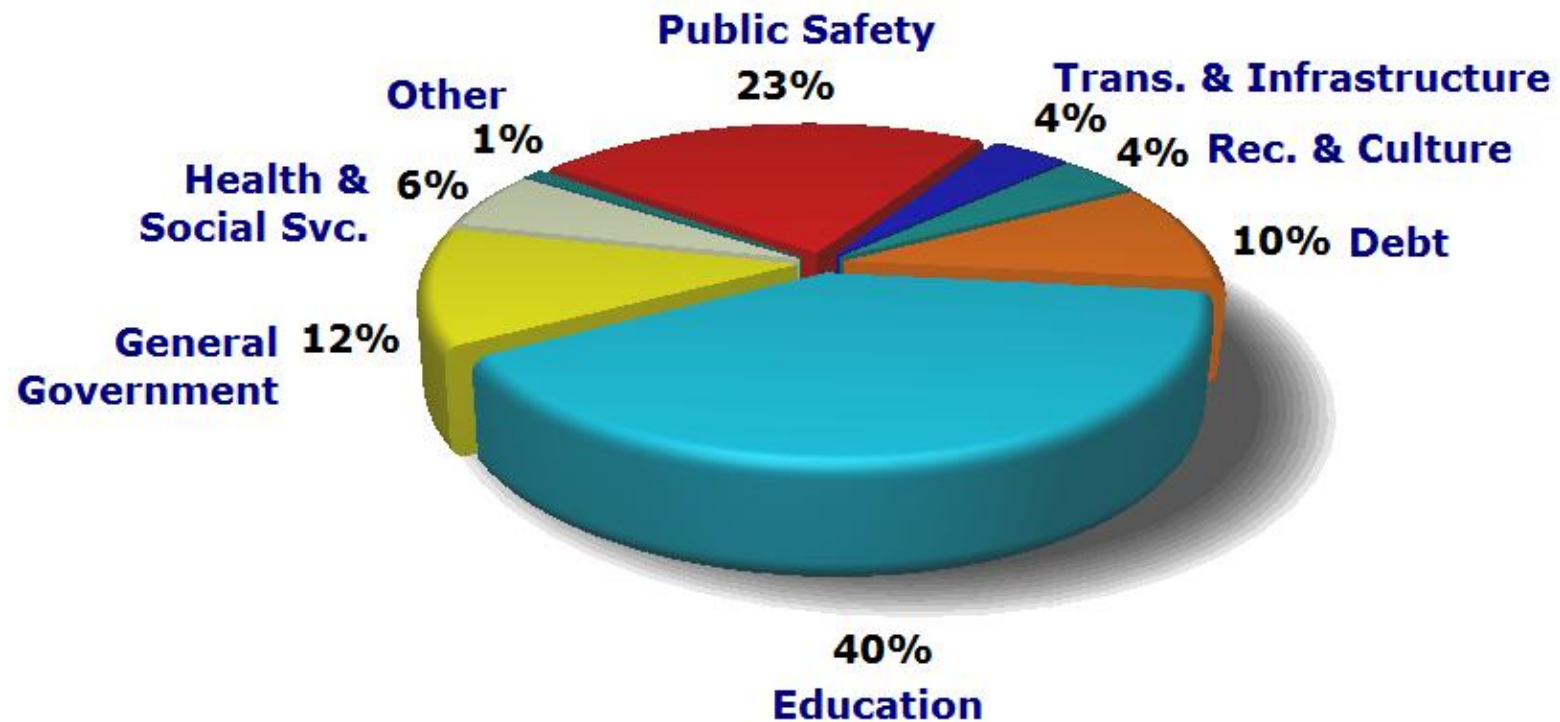
# The Budget FY 2009

## Where The Money Comes From



# The Budget FY 2009

## Where The Money Goes



# The Budget FY 2009

## Pay Plan (In Millions)

	FY09
<b>Increments</b>	<b>\$2.7</b>
<b>Related Benefits</b>	<b>0.5</b>
<b>Total Pay &amp; Benefits</b>	<b>\$3.2</b>



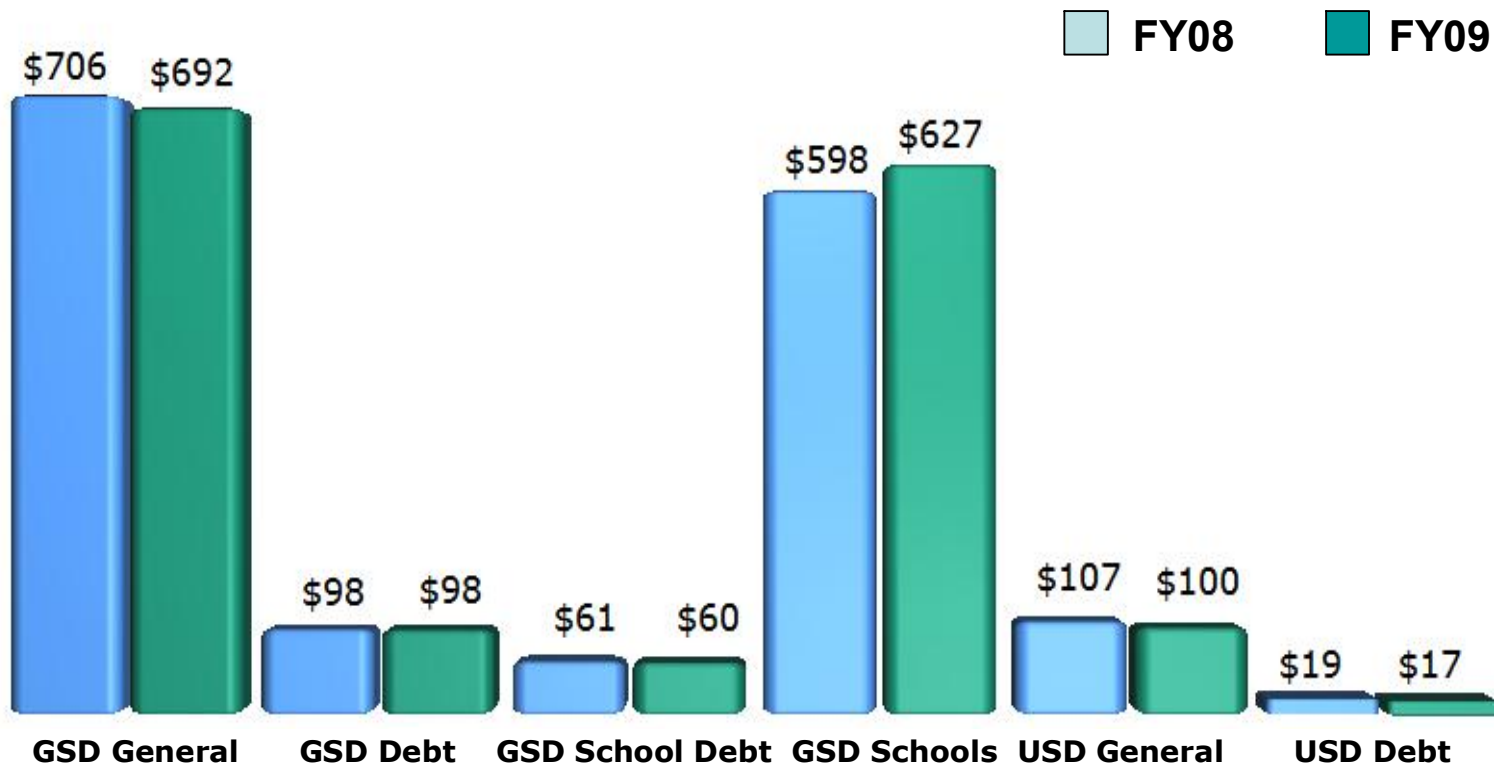
# The Budget FY 2009

## Benefit Savings (In Millions)

	FY09
<b>Health, Life and Dental Increases*</b>	<b>\$1.6</b>
<b>Pension Savings**</b>	<b>(\$7.8)</b>
* 6% forecasted increase	
** Savings from a decrease in the pension contribution rate	

# The Budget FY 2009

## Budget Comparison By Fund



# The Budget FY 2009

## Budget Reduction Targets

### Departmental FY 2009 Budget Calculation General Fund

Department A

Salaries (FY 2008)	\$ 3,138,700
All Other (FY 2008)	719,600
Fringes (FY 2008)	1,036,100
Internal Service Fees (FY 2008)	257,500
Capital (FY 2008)	-
<b>**Total Budget (FY 2008)</b>	<b>\$ 5,151,900</b>
- Non-recurring Items	-
- Internal Service Fees Exclusions	(257,500)
- Insurance Premiums	(24,900)
<b>= Subtotal subject to Cut</b>	<b>\$ 4,869,500</b>
- 10% Cut	x 0.10 = (487,000)

Your 10% cuts in WEBudget rev 4.0 should total

**\$ (487,000)**

**These cuts do not include increments, open range, or longevity increases.**

\* FY 2009 Budget totals do NOT include grants, local match, or transfers.  
Your FY 2009 budget will be adjusted for grants, local match, and transfers  
when those figures are available.



# The Budget FY 2009

## Overall Position Reductions (Estimated)

<u>Filled</u>	<u>Vacant</u>
Approximately 200	127





# The Budget FY 2009

## Our Priorities

- **Schools**
- **Public Safety**
- **Living Within Our Means**



# The Budget FY 2009

## Departmental Budget Approach

- **Departments Prioritized Reductions and Discussed With Mayor During Budget Hearings**
- **Reviewed Case By Case To Determine Impact On Services To The Public**



# The Budget FY 2009



## Schools

# The Budget FY 2009

## Highlights of Recommended Improvements

- Full Funding of Needs Including **\$6.5** Million in New Local Dollars
- Funding of **\$13** Million For Improvements That Will Be Finalized During the Budget Process
- Requires Approximately **\$19.2** Million of Schools Fund Balance
  - Will Remain in Excess of **8%** of Fund Balance





# The Budget FY 2009

## Public Safety



# The Budget FY 2009

## Police

- **FY09 Budget - \$142 M**
- **\$500,000 (0.33%)  
Reduction \***
- **Funds Full Complement  
of 1312 Sworn Officers**



*\* Does not include internal service fees*

# The Budget FY 2009

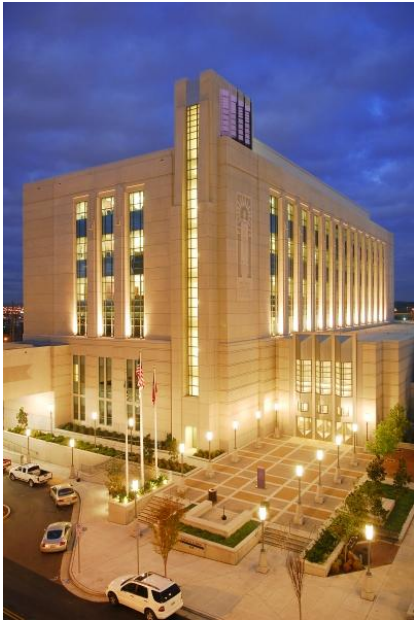
## Fire

- **FY09 Budget - \$107 M**
  - \$697,300 (0.6%) Reduction \*
- **Increase 3 EMS Units**
  - \$2,326,700 (31 Positions)
- **Increase Overtime Funding**
  - \$1,821,000
- **Realign and Redistribute Resources**



*\* Does not include internal service fees*

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## Courts And Elected Officials



# The Budget FY 2009



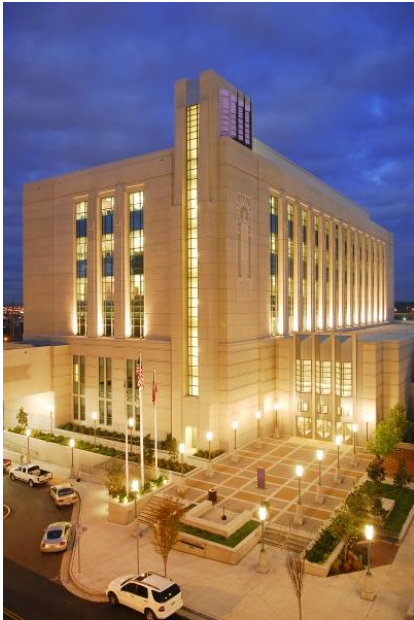
## Courts And Elected Officials

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**Most Received  
Approximately A 5%  
Reduction**

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## Juvenile Court



- **\$500,000 Improvement For Truancy Program**
- **Component Of Public Safety/Education Priorities**

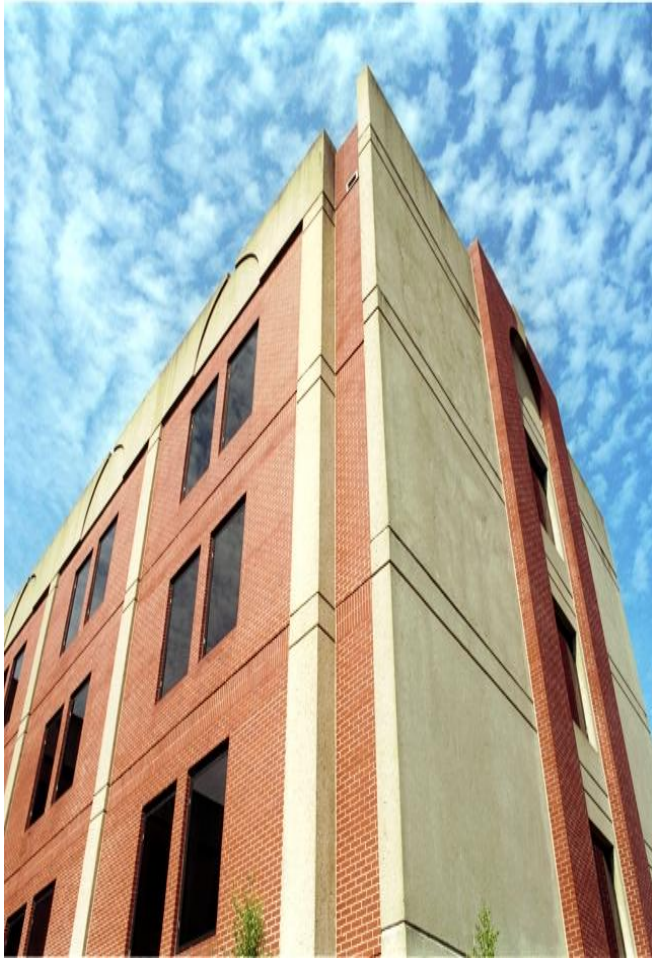
# The Budget FY 2009



## Health and Social Services



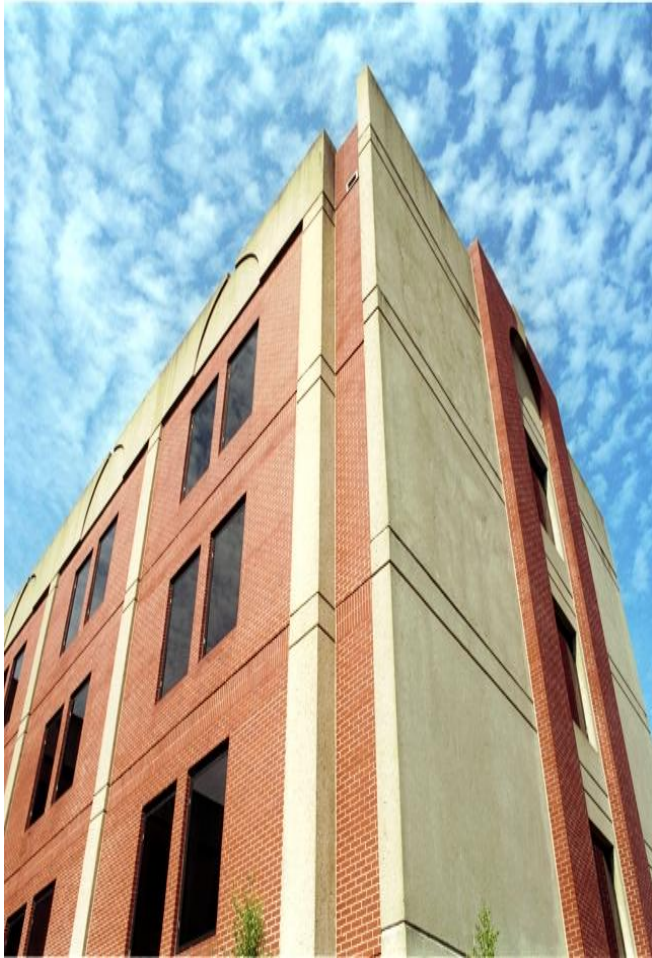
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## Homeless Services Improvements

- Funding for Homeless Commission Through MDHA Increased to \$1.15 Million (**18% Improvement**)
- Improvements Include Increased Funding For Direct Health Care and For Management System To Improve Efficiency of Service Delivery

# The Budget FY 2009



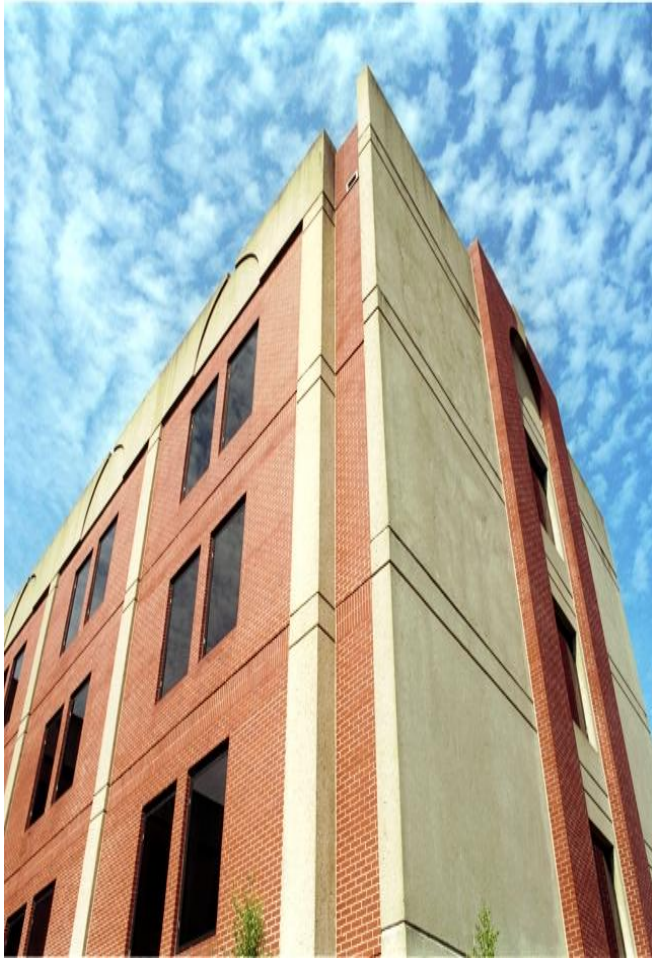
## Health and Social Services

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- **Budgets Reduced For**
  - **Health**
  - **Metro Action Commission**
  - **Social Services**
  - **NCAC**



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## Health and Social Services

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- **Budget Enhancements**
  - **Correctional Health Services**
    - \$982,500
  - **Forensic Medical Services**
    - \$168,200

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## Hospital Authority

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- **FY09 Subsidy \$47,307,200**
- **Reduced \$2,489,900 (5%)**

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## Other Government Agencies

# The Budget FY 2009



## Parks and Recreation

- **Administrative Cuts; Staffing Realignment**
- **Minimal Reduction in Operating Hours**
- **Concession Privatization**

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## Public Library



- **Administrative Reductions and Reduced Hours At 3 Branches**
- **Bookmobile Services Eliminated**



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## Public Works

- **Administrative and Office Support Reductions**
- **Reduced levels of service in several areas**

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## Metro Transit Authority



- Some Reduced Levels of Service To Be Determined by MTA Board
- \$500,000 Added To Budget To Help Offset Increased Fuel Costs
- Provides Funds For Metro Employees To Receive Bus Passes

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**Most Other  
Departments &  
Agencies Will Receive  
On Average A 5%  
Reduction \***

*\* Does not include internal service fees*

# The Budget FY 2009

## Other Departments



- **Codes – 2.3% Reduction**
  - Adds Funds For Electronic Plan Review
- **Water Services – 3.5% Reduction**
- **Planning – 5% Reduction**

*\* Does not include internal service fees*

# The Budget FY 2009



## Reorganization Of Internal Service Functions



# The Budget FY 2009



**A 40%**  
**Reduction in**  
**Internal Service Fee**  
**Budgets**

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# The Budget FY 2009



## Elimination of Employee Safety and Risk Premium Billings

*Returned to General Fund Appropriations*

# The Budget FY 2009



## Elimination of Internal Service Fund Operations

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- Finance Services
- Human Resources
- Internal Audit

*Returned to General Fund Appropriations*

# The Budget FY 2009



## Reorganization and Savings

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- **Finance & General Services**
  - **Call Center**
  - **Payment Services**
  - **Shared Business Office**
  - **Real Property Services**

# The Budget FY 2009



## Finance and General Services Reorganization

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Estimated  
\$3 Million in Savings



# The Budget FY 2009



## Remaining Internal Service Fund Operations

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- **Information Technology Services**
- **General Services**
  - **E-Bid (Surplus Property Auction)**
  - **Facilities Maintenance and Security (BOSS)**
  - **Fleet Management**
  - **Postal Services**
  - **Radio**

# The Budget FY 2009



## Non-Profit Grants

# The Budget FY 2009

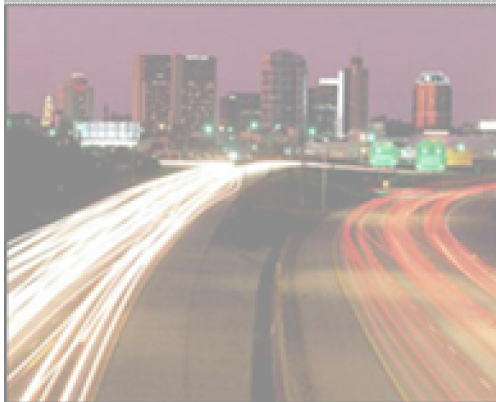
## Non-Profit Grants

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- **Elimination of Most Individual Appropriations**
- **Process Will Be Created To Award Funds To Those Agencies That Best Meet The Priorities Of The City**
- **Reduction of Overall Grants (10%+)**
- **Awarded As Follows:**
  - **Domestic Violence Agencies - \$750,000**
  - **Education and Afterschool Care - \$750,000**
  - **Community Service Agencies - \$500,000**

# The Budget FY 2009

## Hotel-Motel Occupancy Tax Fund





# The Budget FY 2009

## Hotel/Motel Highlights

- Convention Center Subsidy - \$800,100
- Sommet Center Subsidy - \$7,351,500
- Municipal Auditorium Subsidy - \$871,500
- Farmers' Market Lease Agreement - \$258,000
- Regional Transit Authority - \$764,900
- Metro Transit Authority - \$500,000
- Sister Cities - \$40,000
- Partnership 2010 - \$300,000
- Nashville Sports Council - \$100,000
- Adventure Science Center - \$200,000
- Country Music Hall of Fame - \$100,000
- Opryland Tourist Development Zone - \$399,600
- Arts Commission Grants - \$150,000





# The Budget FY 2009

## Additional Legislation

- **Probation Fees**
- **Merchant Fees**
- **Sheriff's Pension Change**



# The Budget FY 2009

## Looking Ahead To FY 2010

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- **Increasing Fund Balance**
- **OPEB**
- **Funding for Capital Projects**
- **Continue Looking For Ways To Improve Services At Lower Costs**



# The Budget FY 2009

## Conclusion

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- **Budget Within Our Means**
- **Fund The Priorities**
- **Reduce Redundancies And Inefficiencies**
- **Minimize Service Impact To Citizens**
- **Make The Budget Process More  
Transparent For The Metro Council &  
Citizens**



# The Budget FY 2009

**For More Information Visit The  
Citizen's Guide to the Metro Budget  
[www.nashville.gov/citizens\\_budget](http://www.nashville.gov/citizens_budget)**

**Citizens' Guide**  
to the Metro Budget